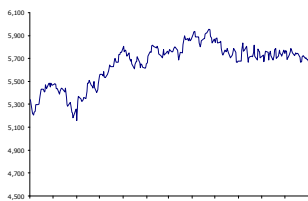


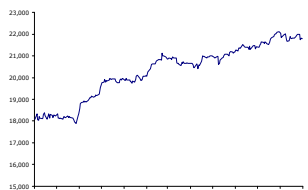
# STATE ONE SPINNAKER

**9 September 2017**  
Issue 382

## 12 month XJO chart



## 12 month Dow Jones chart



### State One Research Products

**Spinnaker** Free Weekly

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**Overview**

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## Global Wrap – 9 September 2017

World Markets	9/09/2017	2/09/2017	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5673	5725	-0.9%	-1.9%	5.3%
Dow Jones	21798	21988	-0.9%	-1.0%	18.0%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	2461	2477	-0.6%	-0.3%	12.8%
FTSE 100	7378	7439	-0.8%	-0.7%	7.6%
DAX30	12304	12143	1.3%	0.3%	18.4%
Shanghai Composite	3365	3380	-0.4%	3.0%	8.7%
Nikkei 225	19275	19508	-1.2%	-2.2%	13.7%
Hang Seng	27668	27953	-1.0%	0.9%	15.7%
Currency					
AUD/USD	0.8054	0.7945	1.4%	1.4%	6.8%
Commodities					
Oil (\$/bbl)	47.4	47.3	0.3%	1.4%	0.2%
Gas (\$/gal)	2.9	3.1	-5.9%	-1.0%	-5.6%
Iron Ore (\$/t)	53.9	53.9	0.0%	6.9%	7.8%
Copper (\$/t)	6780	6776	0.1%	5.4%	46.8%
Lead (\$/t)	2272	2408	-5.6%	-5.1%	19.3%
Zinc (\$/t)	3086	3147	-1.9%	2.5%	34.2%
Aluminium (\$/t)	2072	2114	-2.0%	-0.1%	32.3%
Nickel (\$/t)	11845	12005	-1.3%	12.2%	14.9%
Tin (\$/t)	20775	21000	-1.1%	3.2%	5.6%
Gold (\$/oz)	1351	1330	1.6%	4.8%	0.7%
Silver (\$/oz)	18.1	17.8	1.7%	5.9%	-8.0%
Platinum (\$/oz)	1012	1009	0.3%	3.0%	-6.9%
Wheat (\$/t)	439.250	439.000	0.1%	-2.3%	8.2%

Source: Iress

## RIU Resources Investor Roadshow 2017

State One Stockbroking Ltd is proud to be joint sponsor

**Sydney – Tuesday 26 September – Intercontinental Hotel Sydney**  
**Melbourne – Thursday 28 September – Grand Hyatt Hotel Melbourne**

State One invites you to attend the upcoming RIU Resources Investor Roadshow 2017. Registration is Free. Companies presenting offer insights into a broad range of commodities including coal, bauxite, cobalt, copper, gold, graphite, iron ore, lithium, nickel, silver, zinc, potash and phosphate. For more information and registration please [click here](#).

## Global Wrap

### Key points

1. US rate rise and debt ceiling talks pushed back
2. USD and yields take hit
3. Syrah Resources jumps 18.2%
4. Hurricanes and North Korea bolster gold
5. China cracks down on Bitcoin

## US

The S&P 500 ended slightly lower on Friday as investors bunkered down for potential damage from Hurricane Irma as it drove toward Florida, Reuters reported overnight.

The tech sector, which has outperformed all other major groups this year, ended down 0.9%. Shares of Apple were down 1.6% while shares of Facebook fell 1.3%.

Energy shares fell 1.1% as oil prices dropped on worries that commerce and energy demand in Florida and the southeast would be hit hard because of Irma.

Equifax was the biggest percentage loser on the S&P, falling 13.7% after the provider of consumer credit scores said personal details of up to 143 million US consumers were hacked.

Geopolitical concerns also kept investors on edge as South Korea prepared for a possible further missile test by North Korea on its Foundation Day on Saturday, just days after its sixth and largest nuclear test.

Despite those macro concerns, the benchmark S&P 500 is still within about 1% of its all-time closing high as investors point to strong corporate earnings and generally solid economic data.

Reduced expectations for another US Federal Reserve interest rate hike this year helped drive down the USD to its lowest in more than 2-1/2 years and kept gold near a one-year high.

Weak inflation continues to surprise Fed policymakers and in a speech on Thursday, New York Fed President William Dudley did not repeat an assertion from three weeks ago that he expects to lift rates once more this year.

Also dampening the dollar and lowering the chances of another rate hike was an agreement in Congress to push US debt ceiling talks three months down the road to December, coinciding with the Fed's policy meeting.

The US dollar drop went hand-in-hand with a drop in US yields.

The key 10-year US Treasury yield took a blow partly from long-term interest rate falls in Europe. This was prompted by European Central Bank President Mario Draghi's remarks after the ECB's policy-setting meeting on Thursday, suggesting that the bank will next month start discussing tapering of its bond purchases.

In crypto-currency news, the price of bitcoin fell sharply after a Caixin report that Chinese regulators are planning a further crackdown on the digital currency by shutting down local bitcoin exchanges.

Bitcoin's price fell 7% mid-afternoon Friday after the news, according to Coindesk market data.

On Monday, Chinese regulators announced a ban on organizations from raising funds using initial coin offerings (ICOs), which sparked a \$200 decline in the price of bitcoin.

This coming week investors will be watching PPI figures and the monthly budget statement of August released on Wednesday, followed by CPI data on Thursday, then retail sales and industrial production on Friday.

## **China**

In Asia a rally in Hong Kong-listed Chinese companies offset weakness in South Korea and Japan amid Friday's speculation of a missile launch by Pyongyang on Saturday, Bloomberg reported.

The MSCI Asia Pacific Index has climbed almost 20% this year amid a rebound in momentum in China. This means it has recouped most of its losses since the financial crisis. Driving the performance this year have been tech giants including Hong Kong-listed Tencent Holdings, South Korea's Samsung Electronics and Taiwan Semiconductor Manufacturing Co.

Confidence in Asia's largest economy was bolstered somewhat on Friday when an official data release showed China's imports had grown 13.3% from a year earlier, beating analysts' forecast of 10% after rising 11% in July.

Exports showed some signs of softening, however, with growth cooling to 5.5% from a year earlier, roughly in line with analysts' forecasts for a 6% increase but down from 7.2% in July. The mixed performance left China with a trade surplus of \$41.99 billion for August, the lowest since May. This coming week retail sales, industrial production and urban investment figures will be released on Thursday.

## **Australia**

The ASX ended a week with a loss, with the market subdued again by tensions on the Korean peninsula, Fairfax Media reported.

Investors are also starting to worry that this year's US storm season will take a toll on the world's biggest economy.

This was one of the factors that helped depress the US dollar this week and pushed the Australian dollar to over US81¢ on Friday, its highest level since May 2015.

Also supporting the AUD this week were the RBA's reassuring comments on the Australian economy on Tuesday as it kept interest rates on hold at 1.5%, plus GDP numbers on Wednesday that were mildly weaker than forecast but still robust.

Australian banks followed their American counterparts which were hit by lower US yields, with the financials sector losing 2.5 per cent over the five sessions.

Miners had a better week, with the sector gaining 0.5% as Rio Tinto and Newcrest gained 0.3% and South 32 jumped 6.1%.

Syrah Resources soared 18.2% over the week. It gained on Friday after the graphite products supplier said that it had signed a binding sales agreement with BTR New Energy Materials, the world's leading anode materials supplier for lithium-ion batteries.

Also on Friday, ABS figures showed the number of home loan approvals rose 2.9% in July, beating market expectations for an increase of 1%.

But the value of total housing finance fell 0.9% to \$33.03 billion in the month. The value of loans approved for owner-occupied housing rose 0.9% per cent in July, while the value of loans for investment housing fell 3.9% compared with June.

On the watch list next week will be the NAB business confidence index released on Tuesday, followed by Westpac consumer confidence on Wednesday and Consumer Inflation Expectation on Thursday.

## Japan

Stocks lost ground on the Tokyo Stock Exchange Friday, with investor sentiment dampened by the yen's strengthening against the dollar, the Japan Times reported.

Also weighing on investors was fear of the possibility of North Korea firing another missile over Japan during the weekend.

Japanese trade balance figures out on Monday, industrial production data released on Thursday.

## Europe

European stocks declined Friday as euro strength and geopolitical worries drove broad-based losses, pushing the regional benchmark deeper into the red for the week, MarketWatch reported. This followed Thursday's 0.3% rise, which was pushed by upwardly revised growth figures for the Eurozone economy.

The euro hit multi-year peaks after the European Central Bank meeting when its President Mario Draghi's suggested the bank would next month start considering a slow-down in its bond purchases. This week UK CPI and PPI data are out on Tuesday, followed by German CPI and Eurozone industrial production on Wednesday.

There's a BoE rate decision due on Thursday, though expectations are for its base rate to stay flat at 0.25%. The Eurozone trade balance will be released on Friday.

## Commodities

Oil prices collapsed again on Friday as Hurricane Irma zeroed in on Florida at the time on writing on Saturday.

Meanwhile IHS Markit says eight of the 20 refineries in Texas affected by last week's Hurricane Harvey are running at "normal" rates, while all but one of the other 12 are moving towards, or are in the process of, restarting, oilprice.com reported.

As shale gas production continues to ramp up in the US, this week the West Australian Government put in place a statewide moratorium on fracking this week, pending an independent scientific inquiry led by Environmental Protection Authority chairperson Tom Hatton. The WA Government has already banned fracking in the popular southwest tourist region.

Iron ore prices fell below \$75 per tonne cfr China on Friday against the background of a weak futures market in China.

Gold prices hit a fresh one-year high after the US dollar sagged overnight as traders bought the euro and amid continuing worries around Hurricane Irma and North Korea.

Risk-on buying intensified after US president Donald Trump said overnight he would prefer not to use military action against North Korea to counter its nuclear and missile threat, but if he did it would be a "very sad day" for the leadership in Pyongyang.

Spot gold added another 0.5% per cent in Friday's trade to \$US1357.20 per ounce, its highest since September 2016.

In other yellow metal news, WA's gold mining sector reacted angrily to a change in the state's gold royalty regime announced in the McGowan Government's Budget on Thursday.

The WA Government will increase the royalty rate from 2.5% to 3.75% when the gold spot price is above \$A1200 per ounce (\$US959/oz) starting from January.

Base metals prices on the London Metal Exchange continued to dip lower on Friday as copper prices fell

1.2%.

Prices were beginning to correct after hitting multi-year highs recently, traders told FastMarkets Metal News.

Nickel prices are also under pressure, falling over \$200 to below \$12,000 per tonne for the first time since the beginning of the month.

“The markets got whacked up quite a bit recently – they were all looking a bit long, so they have come off a bit,” one trader said.

Other price falls were slowed by the weakening dollar.

Tin was the only base metal to be trading in positive territory this morning – edging \$5 higher as it remained above \$20,700 per tonne.

## Economic Calendar 11/09/2017 – 15/09/2017

Monday September 11 2017		Actual	Previous	Consensus	Forecast	
03:00 PM	TR GDP Growth Rate QoQ Q2		1.4%		0.9%	
03:00 PM	TR GDP Growth Rate YoY Q2		5%	5.3%	5.5%	
Tuesday September 12 2017		Actual	Previous	Consensus	Forecast	
09:30 AM	AU NAB Business Confidence AUG		12		9	
04:30 PM	GB Inflation Rate YoY AUG		2.6%	2.8%	2.8%	

Source: [www.tradingeconomics.com](http://www.tradingeconomics.com)

## Economic Calendar 18/09/2017 – 22/09/2017

Tuesday September 19 2017		Actual	Previous	Consensus	Forecast	
09:30 AM	AU RBA Meeting Minutes					
05:00 PM	DE ZEW Economic Sentiment Index SEP		10		7.14	
Wednesday September 20 2017		Actual	Previous	Consensus	Forecast	
07:50 AM	JP Balance of Trade AUG		¥419B			
10:00 PM	US Existing Home Sales AUG		5.44M		5.42M	
	EA ECB Non-Monetary Policy Meeting					
Thursday September 21 2017		Actual	Previous	Consensus	Forecast	
02:00 AM	US Fed Interest Rate Decision		1.25%		1.25%	
02:00 AM	US FOMC Economic Projections					
02:30 AM	US Fed Press Conference					
09:30 AM	AU RBA Bulletin					
11:00 AM	JP BoJ Interest Rate Decision		-0.1%			
10:00 PM	EA Consumer Confidence Flash SEP		-1.5		-1.2	
Friday September 22 2017		Actual	Previous	Consensus	Forecast	
03:30 PM	DE Markit Manufacturing PMI Flash SEP		59.3		59.67	
08:30 PM	CA Inflation Rate YoY AUG		1.2%		1.5%	

Source: [www.tradingeconomics.com](http://www.tradingeconomics.com)

## All Ords Top 10 Week Ending 8 September 2017

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
SYR	Syrah Resources	18.2	AAD	Ardent Leisure Group	-9.5
VOC	Vocus Group Ltd	11.4	RFG	Retail Food Group	-7.8
IGO	Independence Group	11.3	FXL	FlexiGroup Limited	-6.5
HT1	Ht&E Limited	10.0	MYX	Mayne Pharma Ltd	-6.4
GXY	Galaxy Resources	8.8	HSO	Healthscope Limited	-6.3
AHG	Automotive Holdings.	8.5	PRY	Primary Health Care	-6.2
EVN	Evolution Mining Ltd	8.1	BEN	Bendigo and Adelaide	-5.9
WHC	Whitehaven Coal	6.8	ISD	ISENTIA Group Ltd	-5.7
S32	South32 Limited	6.1	JHG	Janus Henderson	-5.6
SFR	Sandfire Resources	6.1	SKI	Spark Infrastructure	-5.5

Source: IRESS

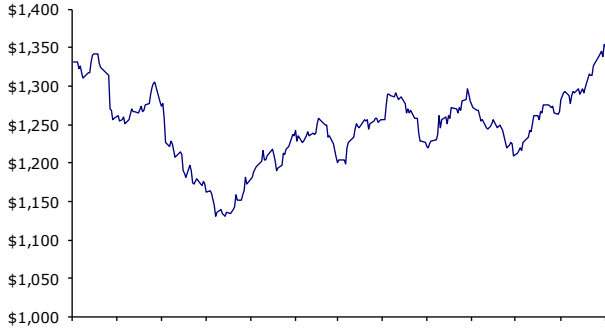
## S & P Indices Week Ending 8 September 2017

S&P Indices	9/09/2017	2/09/2017	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	9222	9221	0.0%	3.4%	12.7%
S&P 200 Materials	10659	10606	0.5%	4.5%	23.0%
S&P 200 Industrials	5755	5761	-0.1%	0.2%	10.4%
S&P 200 Consumer Disc.	2116	2128	-0.6%	-2.8%	-3.8%
S&P 200 Consumer Staples	9429	9522	-1.0%	0.2%	5.7%
S&P 200 Healthcare	22471	22638	-0.7%	0.4%	5.7%
S&P 200 Financials	6192	6351	-2.5%	-5.9%	4.0%
S&P 200 Info Technology	871	885	-1.6%	-1.2%	6.7%
S&P 200 Telecommunicatic	1301	1290	0.9%	-14.3%	-31.1%
S&P 200 Utilities	8396	8462	-0.8%	1.5%	14.2%
S&P 200 Property Trusts	1335	1320	1.2%	0.2%	-7.5%
S&P 200 Financials ex PT	6906	7083	-2.5%	-5.9%	4.5%

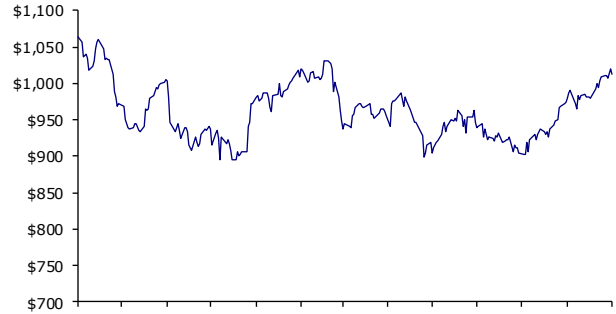
Source: IRESS

### 1 Year Commodity Price Charts

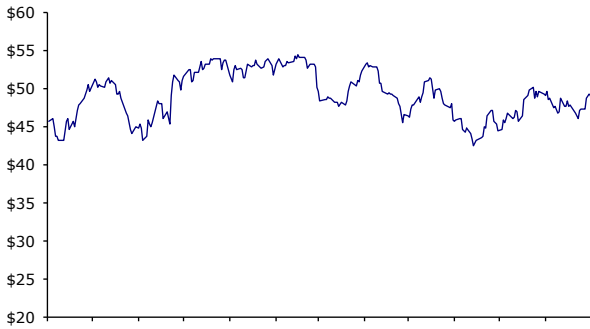
**1 Year Gold**



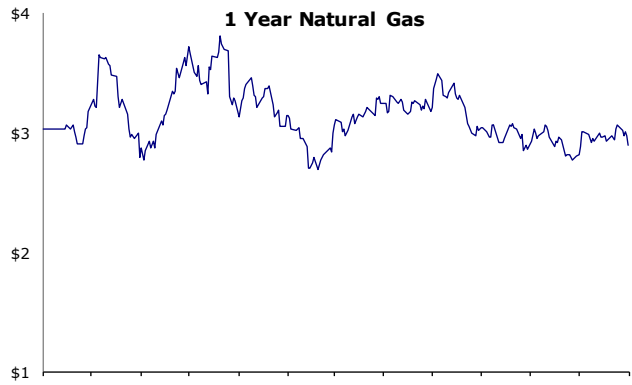
**1 Year Platinum**



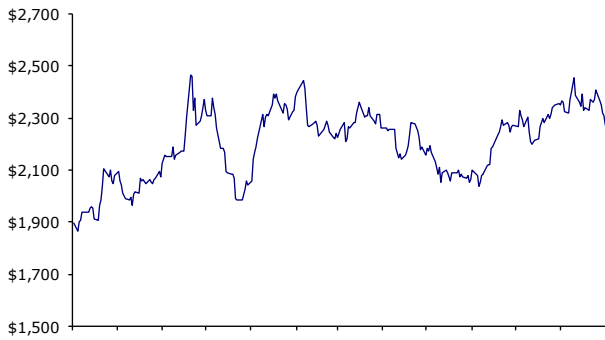
**1 Year Oil**



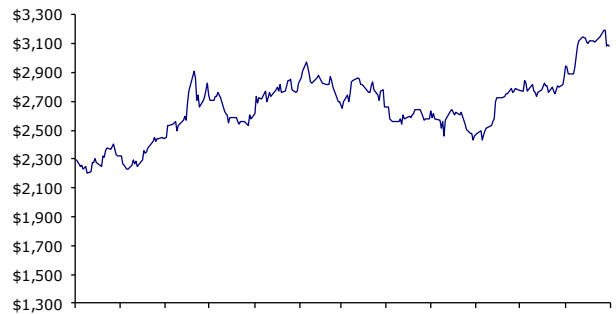
**1 Year Natural Gas**



**1 Year Lead**

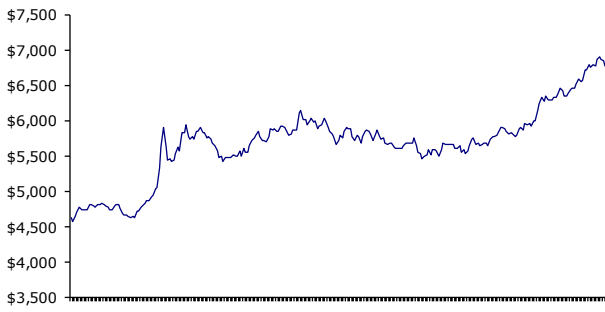


**1 Year Zinc**

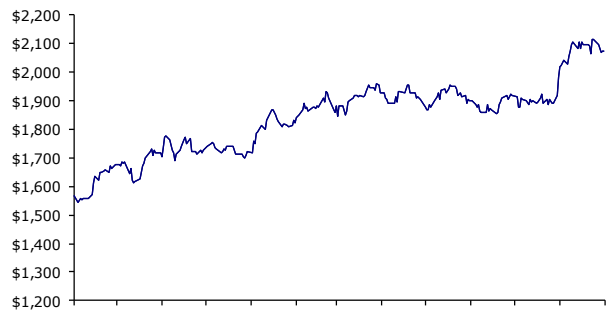




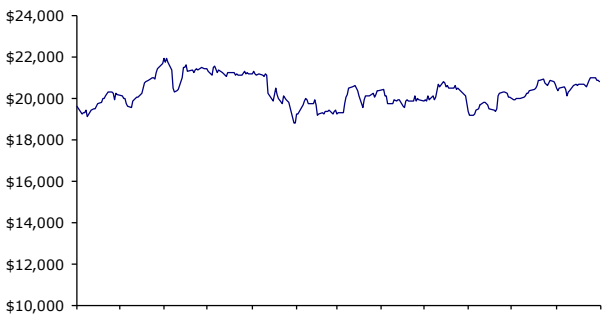
**1 Year Copper**



**1 Year Aluminium**

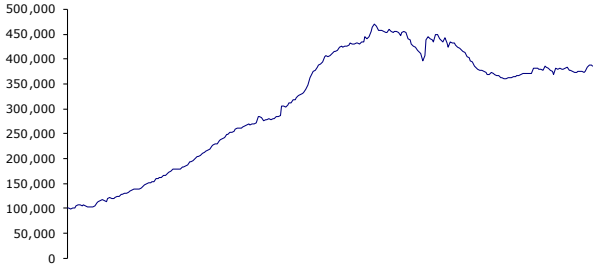


**1 Year Tin**

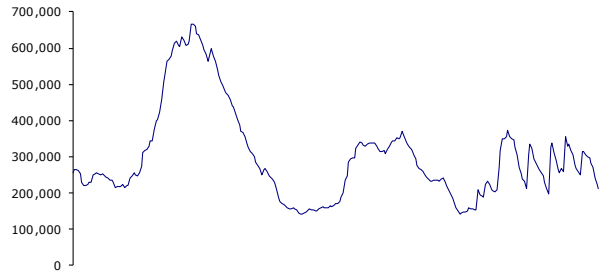


**5 Year Metals Stockpiles**

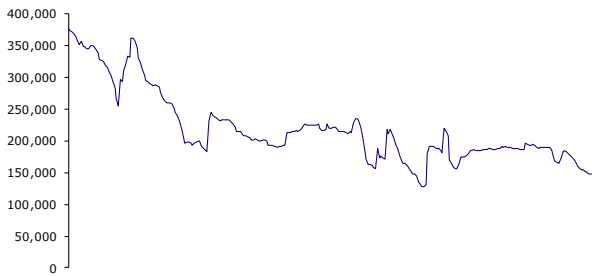
**Nickel LME Stockpiles - 5 Year**



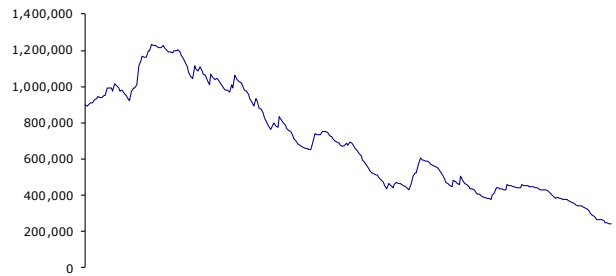
**Copper LME Stockpiles - 5 Year**



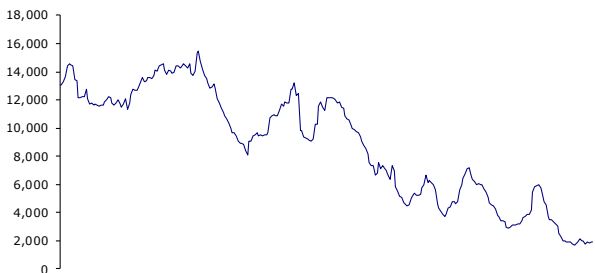
**Lead LME Stockpiles - 5 Year**



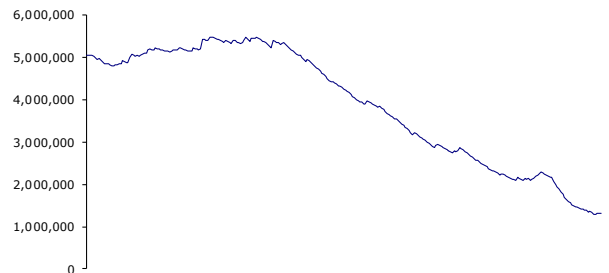
**Zinc LME Stockpiles - 5 Year**



**Tin LME Stockpiles - 5 Year**



**Aluminium LME Stockpiles - 5 Year**



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